Flexible Cash Lease Agreement

Saskatchewan
Agriculture
and Food

101-02697/

Land Lease Agreements

The information, instructions and sample agreement in this publication were prepared by the Economic and Business Section, Sustainable Production Branch, Saskatchewan Agriculture and Food, with assistance from Regional Farm Management Agrologists, legal counsel and the Master of Land Titles.

This publication is provided to assist landlords and tenants in preparing a lease agreement. Additional information on land rental arrangements can be obtained from Extension Agrologists, Farm Management Agrologists and lawyers. Saskatchewan Agriculture and Food also publishes a bulletin titled "Land Rental Arrangements" that provides additional information on land rental agreements.

Caution:

It is impossible to include all provisions to cover every contingency or situation to meet the needs of all persons and thus the information and sample lease agreement is for use as a guide only. All lease agreements should be discussed with a lawyer and/or an accountant before signing.

Warning:

Land owners who rent land to anyone other than a spouse or child may not qualify for the tax free rollover, under the Income Tax Act. Consult a lawyer, accountant or Farm Management Agrologist for specific information.

For more information contact:

The Regional Farm Management Agrologist or Extension Agrologist at your Rural Service Centre

Economic and Business Development Section
Sustainable Production Branch
Saskatchewan Agriculture and Food
November 1995

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Flexible Cash Rent Agreement

A land lease agreement is a legal document that sets out the terms of an agreement between a landlord and tenant. There are many items and conditions that can be included as terms of the agreement. The landlord and tenant must carefully examine each of the terms and conditions to ensure that they are acceptable. This publication provides a sample lease agreement and copies of the various forms that are part of a lease agreement.

The amount of rent in a flexible cash lease agreement is usually based on a set number of bushels of grain multiplied by the current price of the grain. In this way, the landlord reduces his/her risk from the variation in crop production, but still maintains the same price risk as the producer. Calculating the cash rent in this manner provides the producer with the advantages of being able to produce the crops of his/her choice and of receiving the total benefits from his/her crop production skills.

In a flexible cash lease agreement the landlord and tenant would agree on the type of grain and the method for calculating the current value as well as a date when the cash rent would be payable. As an example, a landlord and tenant may agree that 1000 bushel of 2CWRS at current value is a fair cash rent. The lease agreement would set out that the landlord would receive a cash rent equal to the current value of 1000 bushels of 2CWRS. The lease agreement would also set out a method to establish the price of the grain and the date that the rental payments are due.

Completing A Lease Agreement

The following steps should be taken in completing a lease agreement:

1. Study the sample farm lease agreement form in this publication carefully. Discuss with your Extension Agrologist, Farm Management Agrologist or lawyer, the terms of the lease agreement.

2. Determine an equitable rent arrangement. Worksheets are attached (Appendix 1) to serve as guidelines in calculating an equitable rental arrangement. Working through these worksheets with the tenant or landlord will help to ensure that an equitable rent arrangement is established.

3. Discuss the lease agreement with the prospective landlord or tenant. The sample lease agreement in this publication can be used as a guide. Review each of the clauses and make changes where desired. Some clauses in the sample lease agreement in this publication include a choice of terms. Delete the terms which do not apply and add additional clauses where required. A final lease agreement should be prepared and reviewed by a lawyer or accountant. Copies for both the landlord and tenant need to be prepared and signed by all parties and a witness.

4. The tenant and landlord should ensure that the requirements of the "Homesteads Act 1989" are fulfilled. This Act requires that the landlord's non-owning spouse give written consent

(Consent of Non-Owning Spouse) to every lease agreement involving a homestead parcel. A "Homestead" is any land(s) upon which the spouses have lived since their marriage and in which the owning spouse has an equity interest. A person may have several homesteads properties.

The Act also requires the non-owning spouse to appear before a solicitor, notary public, justice of the peace, registrar of land titles, local registrar of the Court of Queen's Bench, or district court judge to have "The Certificate of Acknowledgment" form completed. This is to ensure that the non-owning spouse understands his/her rights in the homestead and that he/she signs the lease agreement and "Consent of Non-Owning Spouse" form of his/her own free will and consent and without any compulsion on the part of the owning spouse.

The "Affidavit of the Landlord" form must be completed if the landlord has no spouse, if the land in the Agreement has never been part of a homestead, or if the landlord's spouse's Homestead Rights were relinquished by an interspousal agreement or Court Order pursuant to The Matrimonial Property Act.

5. The "Affidavit of Execution" form must be completed by a third party. This is the confirmation by a third party (witness) that the specified individuals completed the agreement.

6. The "Consent to Make Major Improvements" form should be completed by the landlord and tenant in duplicate prior to making major improvements on the rented land. It should be clearly outlined what buildings or improvements are to be made, who will pay the cost of materials, and how the tenant will be compensated for his labour or any costs which he may incur. One copy of the form should be attached to each copy of the lease agreement.

7. In order to be valid and enforceable against a purchaser, a lease exceeding three years must be either recorded on the certificate of title as a "lease registration" or recorded by means of a "caveat".

   The simplest approach is for the tenant to file a "caveat" with the appropriate Registrar of Land Titles. Land Titles offices are located at Battleford, Humboldt, Moose Jaw, Prince Albert, Regina, Saskatoon, Swift Current and Yorkton.

   If the lease is for more than three years the tenant could submit a copy of the lease agreement and the landlord's duplicate certificate of title for the land to the appropriate Registrar of Land Titles for registration of the lease on the certificate of title. The Land Titles office will retain the landlord's duplicate certificate of title. If the landlord is purchasing the land under an agreement for sale, the "lease registration" approach will not be accepted. However, the tenant can file a "caveat".

8. A lease agreement may be renewed by using the "The Lease Renewal" form. The Consent of Non-Owning Spouse form or Affidavit of the Landlord form, and the Affidavit of Execution form must also be completed when the lease agreement is renewed. If there is a "lease registration" or a "caveat" with the

lease agreement, these items must also be renewed with a lease renewal.

9. The "Withdrawal and Discharge or Caveat" form is used to remove a caveat from the certificate of title.

10. The "Surrender of Lease" form is used to remove a lease registration from the certificate of title.

Establishing A Flexible Cash Rent Amount

The amount of rent in a flexible cash lease agreement is usually based on a set number of bushels of grain multiplied by the current price of the grain.

There are three methods that can be used to calculate the amount of cash rent:

(a) the cost approach,
(b) crop share equivalent approach, and
(c) income approach.

The cost approach is based on the landlord's costs. The landlord estimates his/her costs associated with the ownership and leasing of the land. These cost are items such as taxes, interest on investment, depreciation and insurance. This approach estimates the amount that the landlord requires to cover his/her cost. This amount is used to determine the number of bushels of grain the landlord would need to cover his/her costs at an average price per bushel.
Appendix I provides an example and a worksheet that can be used to calculate the landlord's costs.

The crop share equivalent approach is a method of calculating the number of bushels a landlord would normally expect to receive on a crop share rental agreement. This number of bushels can be used in a flexible cash lease.

Appendix II provides an example and a worksheet that can be used to establish the number of bushels for a flexible cash lease using the crop share equivalent approach.

The income approach can be used by landlords and tenants to determine the amount of profit that can be expected from a given rental situation.

Appendix III provides an example and a worksheet that can be used to calculate a rent amount using the income approach.

Rent Payments

The landlord and tenant must determine the schedule and terms for payment of the cash rent and ensure that these terms and conditions are clearly set out in the lease agreement. Clause 3 of the sample lease agreement provides an example of the method of rent payment

The payment of the cash rent under a flexible cash lease agreement needs to be structured to meet the needs of both the landlord and tenant. This example should be adjusted to meet the needs of both the tenant and landlord.

Government Income Support Payments

From time to time there are payments made by various governments to farmers or landowners. Clause 24 of the sample lease agreement provides an example of how these payments may be shared. This clause should be carefully reviewed and amended to meet the requirements of both the landlord and tenant.

Sample Flexible Cash Lease Agreement

This lease made in duplicate the _____ day of _____ A.D., 19 ____

Between

_____

(landlord's Name)

_____

(Address)

in the Province of Saskatchewan hereinafter called the "landlord" being the registered owner or the purchaser under an Agreement for Sale of Land described below.

- and -

_____

(Tenant's Name)

_____

(Address)

in the Province of Saskatchewan hereinafter called the "tenant".

1. **Witness that in consideration of the rents**, covenants, promises and agreements contained in this lease on the part of the tenant to be paid, observed and performed, the landlord does hereby lease to the tenant the following farm lands and premises situated in the Province of Saskatchewan, that is to say:

   Land (common legal description):

   _____
   _____
   _____
   _____

Together with the following portable buildings, namely:

Portable Buildings:

_____

_____

_____

Excepting and reserving unto the landlord the following lands and buildings, namely:

Lands Reserved:

_____

_____

_____

Buildings Reserved:

_____

_____

_____ _____

2. **Term:**

This lease shall continue in force on the said land and premises for and during the term of _____ years from the _____ day of _____ A.D., 19 ____ to the _____ day of _____ A.D., 19 ____.

Any overholding by the tenant shall be considered a trespass.

3. **Rental:**

The tenant will pay to the landlord the yearly cash rental equivalent to the total value of all Canadian Wheat Board initial, adjustment, interim, and final payments payable to a producer **minus all elevator handling charges and railway freight rates** on _____ ____bushels of_____delivered at _____,
(Grain and Grade)
in the Province of Saskatchewan.

i) Payment of the rental will be made as follows:

(a) On or before the _____ day of _____ in each year of the agreement, the sum of $ _____ which amount shall be an advance payment of the amount indicated in Section 3(b) below,

- and -

(b) On or before the _____ day of_____ in each year of the agreement, an

amount equal to the Canadian Wheat Board initial price minus **all elevator handling charges and railway freight rates** at _____ in the Province of Saskatchewan of the grain and grade above indicated multiplied by _____ bushels, and this amount shall be reduced by the advance payment of $_____. as indicated in Section 3(a) above,

- and -

(c) Within 7 days of the issuing of any interim, adjustment or final payments by the Canadian Wheat Board for the grain and grade above indicated, an amount equal to the said interim, adjustment or final payment multiplied by _____ bushels,

- or -

ii) _____
_____
_____
_____
_____
_____
_____

It is further agreed by the landlord and tenant as follows, that is to say:

4. The contents of this agreement shall for all purposes be construed according to the laws of the Province of Saskatchewan and any cause of action arising hereunder shall be entered and tried in the judicial centre serving the area of Saskatchewan in which the land of this agreement is located.

5. The terms "landlord" and "tenant" shall include their heirs, executors, administrators, successors and assigns in the singular or plural number and feminine or masculine gender when the context or the parties so require and all the covenants shall be construed as being joint and several.

6. The tenant shall make all decisions with respect to farming the said land unless stated otherwise in this agreement.

7. The tenant shall be responsible for all costs of farming the said land unless stated otherwise in this agreement.

8. The tenant will cultivate, seed and harvest the said land in a proper manner and will not impoverish or waste the same and will use the lands and premises for the purpose of a farm only.

9. The tenant has no rights to sand, gravel or clay, except for his own use, and he has no rights whatsoever to valuable stone or other such substances existing on, or under the surface of the said land.

10. The tenant will not change the natural course of any waterways on the said land, or cut down trees growing upon the land nor will he permit any other person to do so, without written consent of the landlord.

11. The tenant shall protect the said land and indemnify the landlord in regard to any and all liens and charges by reason of or in any way accruing from the construction of any building or the making of any improvements thereon done by or on behalf of the tenant.

12. The tenant shall indemnify and save harmless the landlord from all loss and damage caused by fire or otherwise through the negligence or carelessness of the tenant, his family or his employees.

13. The tenant shall indemnify and save harmless the landlord against all claims, liabilities, demands, damages or rights or causes of action whatever made or asserted by anyone arising out of OR incidental to this indenture or use or occupancy of the said lands and premises.

14. That if the term hereby granted or any of the goods and chattels of the tenant or his assigns shall be at any time seized or taken in execution or in attachment by any creditors of the tenant or his assigns, or if the tenant or his assigns shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent, shall take the benefit of any Act that may be in force for bankrupt or insolvent debtors, of if any writ of execution shall issue against the goods and chattels of the tenant or his assigns, the then current year's rent shall immediately become due and payable, and the said term shall immediately become forfeited and void at the option of the landlord.

15. That if the rent reserved or any part thereof be in arrears whether such rent has been demanded or not, or if there be default, breach or non-observance by the tenant at any time or times of any covenant, proviso, condition or reservation herein contained, which on the part of the tenant ought to be observed or performed, whether such covenant be positive or negative, or if there by any seizure or forfeiture of the said term for any of the causes herein specified, then the landlord or his agents may enter upon the said lands and premises and thereafter have, possess and enjoy them as if his indenture had not been made, and no acceptance of rent subsequent to any breach or default other than non-payment of rent nor any condoning, excusing or overlooking by the landlord on previous occasions of breach or defaults similar to that for which re-entry is made shall be taken to operate as a waiver of this condition, nor in any way defeat or affect the rights of the landlord herein.

16. The tenant shall at the expiration of the said term or other sooner determination of this lease peaceably and quietly leave, surrender and yield up onto the landlord the said lands, and premises in good and sufficient repair, reasonable wear and tear and damage by fire, lightning and tempest only excepted.

17. If the tenant fulfils the terms and conditions of this agreement he shall and may peaceably possess and enjoy the said land for the said term, without any interruption or disturbance from the landlord of any representative of the landlord.

18. The landlord or a representative of the landlord has the right at all reasonable times to attend and inspect the said property. The landlord reserves the right of entry and exit over and upon the land in this agreement to use any land and buildings expressly excluded from this agreement.

19. If either party shall fail in any respect to carry out any of the provisions of this lease agreement, the other may have the same done, and the costs shall be paid by the party failing to carry out the said provisions.

20. **Seeding:**

The tenant will seed to crop all the said land under cultivation except the portion to be summerfallowed during the term of this lease. The type and acreage of each crop to be seeded shall be determined by the

i) tenant

- or -

ii) tenant and landlord by mutual agreement.

21. **Summerfallow:**

The tenant shall summerfallow, in a proper manner not less than _____ acres of the said land each year during the term of this lease except when otherwise mutually agreed upon by the landlord and tenant.

At the termination of this lease, if the amount of summerfallow on the within land exceeds the sum of _____ acres the landlord will pay to the tenant an amount equal to $_____ per acre for every such acre in excess and in the event the amount of summerfallow does not exceed the sum of _____ acres the tenant will pay the landlord an amount equal to $_____ per acre for every acre so deficient.

22. **Crop Residues:**

Crop residues including straw, chaff and stubble remaining after harvesting the crops on the said land shall not be baled, burned or otherwise removed, used, or disposed of without the consent of the landlord.

23. **Storage of Grain:**

The landlord in this agreement will provide _____ bushels of grain storage. If additional grain storage is required this will be provided by the tenant. In the event that storage facilities do not permit the storage of grain on the land in this agreement the tenant may remove the said grain to another location for the purpose of storage.

24. **Government Income Support Payments and Subsidies:**

i) In the event that any payment, subsidy, or other reimbursement is made under any government agency, or any marketing agency in connection with income support to the actual producer of crops grown on the leased lands during the term of this lease, and where no contributions are required, the payments identified with the leased land shall be paid to the tenant unless otherwise agreed upon.

Where contributions are required for entitlement to any payment, subsidy or reimbursement the landlord and tenant shall mutually agree as to the sharing of costs and income. The following are included and shared as set out:

_____
_____
_____

- or -

ii) _____
_____
_____
_____
_____
_____

25. **Compensation:**

Any compensation for property damage shall accrue to the party which has suffered the loss.

26. **Taxes:**

The payment of all taxes on the land indicated in this lease will be paid by the landlord.

27. **Improvements:**

The tenant shall not make major improvements, other than what is considered normal repair and maintenance, to the leased land or any other assets identified in this agreement without

written permission of the landlord. Major improvements, which without restricting the generality of the term, shall include: water development, erosion control, fencing and building construction, clearing, breaking, and seeding to pasture and hayland. Such consent shall be attached to and form part of the lease agreement. The amount of compensation shall be an amount agreed upon by the landlord and tenant.

Title to all improvements shall vest in the landlord and no improvements shall be sold, removed, disposed of or encumbered without the written consent of the landlord.

28. **Repair of Buildings, Fences and Improvements:**

Responsibility for normal maintenance and repair to buildings, fences and improvements shall be as follows:

Tenant's Responsibility (list items):

_____
_____
_____

Landlord's Responsibility (list items):

_____
_____
_____

29. **Insurance:**

Insurance on all leased buildings in this agreement shall be the responsibility of the landlord. The tenant is free to make his own arrangements regarding crop insurance and hail insurance and in so doing shall absorb the total cost of coverage and receive all the benefits.

30. **Subletting:**

The tenant shall not sublet, or assign this lease, or any part thereof, or any interest therein without obtaining the written consent of the landlord to the sublease or assignment.

31. **Grain Stored on Land at Commencement of Lease:**

In the event that marketing facilities prevent the landlord from delivering the grain previously grown and stored on the said leased premises at the commencement of this lease, it is agreed that such undelivered grain may be stored on the said land for a period not exceeding _____ months after the commencement of this lease without charge for storage or interference from the tenant. However, the landlord must not deliver any other grain in priority to the grain stored on the leased premises. During this period the landlord has the

right to entry to obtain any grain or fodder which he has stored on the said property.

32. **Grain Removal on Land at Termination of Lease:**

In the event that marketing conditions prevent the tenant from delivering the grain grown and stored on the leased land during the term of this lease such grain may be harvested and removed from the landlord's property according to the Agricultural Leaseholds Act. Subject to the terms and conditions of the Act, harvesting must be completed by May 15 and removal of stored grain completed by June 30 following the termination date of the lease agreement.

33. **Renewal:**

The term of this lease may be extended by mutual agreement between the landlord and tenant for a further period upon the same terms and conditions as contained herein, except as otherwise agreed in writing by the parties executing a renewal statement.

34. **Incoming tenant:**

An incoming tenant, purchaser, or the landlord shall have the right to enter on the land contained in this agreement after harvest in the fall preceding the expiration of the said term for the purpose of preparing the land for crop.

35. **Arbitration:**

The landlord and tenant may by mutual agreement submit any disagreement which may arise with respect to the terms and conditions of this lease to arbitration in accordance with the Arbitration Act of Saskatchewan. The landlord and tenant may choose the arbitrator by mutual agreement. The arbitrator shall make a decision(s) within three weeks from the date of his appointment.

36. **Utilities, Roads, and Rights-of-way:**

In the event that a new installation such as powerline, gas pipeline, oil pipeline, oil well, road, or railway is erected upon the said land, the landlord and tenant shall:

i) renegotiate the terms of this agreement by mutual agreement. If mutual agreement cannot be obtained it shall be submitted to arbitration in accordance with the Arbitration Act of Saskatchewan. The arbitrator shall make a decision(s) within three weeks from the date of his appointment.

- or -

ii) _____
_____
_____

37. **Termination:**

The landlord and tenant may mutually agree to terminate this lease at any time.

I, _____ do hereby accept this lease of
(Tenant's Name)
the above described land to be held by me as tenant, and subject to the conditions, restrictions and covenants above set forth.

In Witness Whereof the parties have set their hands and seals this _____ day of

_____ A.D., 19 ____.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

_____
As to the execution by landlord

_____
(Signature of Landlord)

AND IN THE PRESENCE OF:

_____
As to the execution by tenant

_____
(Signature of Tenant)

Note: If this land is not the landlord's homestead, complete the "Affidavit of the Landlord" and the "Affidavit of Execution" sections.

If this land is the landlord's homestead, the landlord's spouse should complete the "Consent of Non-owning Spouse" and the "Certificate of Acknowledgment" sections. The "Affidavit of Execution" is also required.

Consent of Non-owning Spouse

I, _____, non-owning spouse of _____,
consent to the above/attached disposition. I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the above/attached disposition in favour of _____ to the extent necessary to
(Tenant's Name)
give effect to this lease.

_____
Signature of Non-Owning Spouse

Certificate of Acknowledgment

I, _____, _____,
(indicate capacity)
certify that I have examined _____,
(Landlord's Spouse)
non-owning spouse of _____, the
(Landlord's Name)

owning spouse, in the above/attached lease separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:

(a) signed the consent to the disposition of his or her own free will and consent and without any compulsion on the part of the owning spouse; and
(b) understands his or her rights in the homestead.

_____
Signature
(Lawyer, Notary Public, Justice of the
Peace, Registrar of Land Titles Office,
Local Registrar of the Court of Queen's Bench)

Affidavit of Landlord

I, _____ of _____, make oath and say that:

1. I am the Landlord.

2. My spouse and I have not occupied the land described in this disposition as our homestead at any time during our marriage.

- or -

2. I have no spouse.

- or -

2. My spouse is a registered owner of the land that is the subject matter of this disposition and a co-signator of this disposition.

- or -

2. My spouse and I have entered into an interspousal agreement pursuant to The Matrimonial Property Act in which my spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.

- or -

2. An order has been made by Her Majesty's Court of Queen's Bench for Saskatchewan/Unified Family Court pursuant to The Matrimonial Property Act declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

- or -

2. My spouse is the landlord named in this disposition.

Sworn before me at _____)
in the Province of _____) _____
this _____ day of _____, 19 ____) (Signature of Landlord)
)
)
_____)
A Commissioner for Oaths in and for the Province)
of Saskatchewan. My Commission)
expires _____, 19 ____.)

Affidavit of Execution

Province of Saskatchewan

To Wit:

I, _____, of the _____ of _____, in the Province of Saskatchewan,

Make Oath and Say as Follows:

1. That I was personally present and did see _____ and
   (Landlord's Name)
   _____ named in the within instrument who are
   (Tenant's Name)
   personally known to me to be the persons named therein, duly sign and execute the same for the purposes named therein.

2. That the same was executed at the _____ of _____, in the Province of Saskatchewan, and I am the subscribing witness thereto.

3. That I know the said landlord and tenant and they are in my belief of the full age of eighteen years.

Sworn before me at _____)
in the Province of _____) _____
this _____ day of _____, 19_____) (Signature of Witness)
)
)
_____)
(A Commissioner for Oaths in and for the Province)
of Saskatchewan. My Commission)
expires _____, 19____)

Consent to Make Major Improvements

Re: Land Lease Agreement between _____ and
(Landlord's Name)
_____ on the following farm land and premises
(Tenant's Name)

_____
_____
_____

from _____ day of _____ A.D. 19 ____ to _____ day of _____ A.D. 19 _____.

I, _____ do hereby authorize
(Landlord's Name)
_____ to make the following
(Tenant's Name)

major improvement on the said land which shall become part thereof and vest in the landlord at the expiry or termination of the lease:

_____
_____
_____
_____

In so doing, the landlord will pay unto the tenant the following compensation for the improvements made:

_____
_____
_____
_____

_____
(Date)

_____ _____
(Witness) (Signature of Landlord)

_____ _____
(Witness) (Signature of Tenant)

Lease Renewal Form

We, _____ of _____ and
(Landlord's Name) (Address)

_____ of _____
(Tenant's Name) (Address)

being parties to a land lease agreement for the term of _____ years from _____

day of _____ , 19 ____ to the _____ day of _____ , 19 _____
(Month) (Month)

on the following farm land and premises:

_____

_____

_____

do hereby extend the term of the said agreement for the space of _____ years from the

_____ day of _____ , 19 _____ to the _____ day of _____ ,
(Month) (Month)

19 _____.

according to the terms and conditions outlined in the said agreement unless specified differently, that is to say:

_____

_____

_____

_____

_____

I, _____, _____, do hereby accept this lease of the above described land, to be held by me as tenant, and subject to the

conditions, restrictions, and covenants set forth above.

In Witness Whereof the parties have set their hands and seals this _____ day of _____, 19 ____.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

_____
As to the execution by landlord

_____
(Signature of Landlord)

AND IN THE PRESENCE OF:

_____
As to the execution by tenant

_____
(Signature of Tenant)

Note: If this land is not the landlord's homestead, complete the "Affidavit of the Landlord" and the "Affidavit of Execution" sections.

If this land is the landlord's homestead, the landlord's spouse should complete the "Consent of Non-owning Spouse" and the "Certificate of Acknowledgment" sections. The "Affidavit of Execution" is also required.

Consent of Non-owning Spouse

I, _____, non-owning spouse of _____,
consent to the above/attached disposition. I declare that I have signed this consent for the purpose of relinquishing all my homestead rights in the property described in the above/attached disposition in favour of _____ to the extent necessary to
(Tenant's Name)
give effect to this lease.

_____
Signature of Non-Owning Spouse

Certificate of Acknowledgment

I, _____, _____,
(indicate capacity)
certify that I have examined _____,
(Landlord's Spouse)
non-owning spouse of _____, the
(Landlord's Name)

owning spouse, in the above/attached lease separate and apart from the owning spouse. The non-owning spouse acknowledged to me that he or she:

(a) signed the consent to the disposition of his or her own free will and consent and without any compulsion on the part of the owning spouse; and
(b) understands his or her rights in the homestead.

_____
Signature
(Lawyer, Notary Public, Justice of the
Peace, Registrar of Land Titles Office,
Local Registrar of the Court of Queen's Bench)

Affidavit of Landlord

I, _____ of _____, make oath and say that:

1. I am the Landlord.

2. My spouse and I have not occupied the land described in this disposition as our homestead at any time during our marriage.

- or -

2. I have no spouse.

- or -

2. My spouse is a registered owner of the land that is the subject matter of this disposition and a co-signator of this disposition.

- or -

2. My spouse and I have entered into an interspousal agreement pursuant to The Matrimonial Property Act in which my spouse has specifically released all his or her homestead rights in the land that is the subject matter of this disposition.

- or -

2. An order has been made by Her Majesty's Court of Queen's Bench for Saskatchewan/Unified Family Court pursuant to The Matrimonial Property Act declaring that my spouse has no homestead rights in the land that is the subject matter of this disposition and (the order has not been appealed and the time for appealing has expired) or (all appeals from the order have been disposed of or discontinued).

- or -

2. My spouse is the landlord named in this disposition.

Sworn before me at _____)
in the Province of _____)
this _____ day of _____, 19 ____)
)
)
_____)
A Commissioner for Oaths in and for the Province)
of Saskatchewan. My Commission)
expires _____, 19 ____.)

_____
(Signature of Landlord)

Affidavit of Execution

Province of Saskatchewan

To Wit:

I, _____, of the _____ of _____, in the Province of Saskatchewan,

Make Oath and Say as Follows:

1. That I was personally present and did see _____ and
   (Landlord's Name)
   _____ named in the within instrument who are
   (Tenant's Name)
   personally known to me to be the persons named therein, duly sign and execute the same for the purposes named therein.

2. That the same was executed at the _____ of _____, in the Province of Saskatchewan, and I am the subscribing witness thereto.

3. That I know the said landlord and tenant and they are in my belief of the full age of eighteen years.

Sworn before me at _____)
in the Province of _____) _____
this _____ day of _____, 19_____) (Signature of Witness)
)
)
_____)
(A Commissioner for Oaths in and for the Province)
of Saskatchewan. My Commission)
expires _____, 19____)

Caveat

To the Registrar of the _____ Land Registration District.
Take notice that I _____ of _____
(Tenant's Name) (Tenant's Address)

_____ claiming a leasehold interest as tenant under a lease

agreement between _____ and _____
(Landlord's Name) (Tenant's Name)
on the following property (land description):

_____
_____
_____

from _____ day of _____ , 19 ____ to day of _____ , 19 _____ forbid the registration of any transfer or other instrument affecting such land or the granting of a certificate of title hereto except subject to the claim herein set forth.

My address in Saskatchewan is:_____

Dated this _____ day of _____ , 19 ____

_____
(Signature of Tenant)

I, the above named _____ of _____ make
(Tenant's Name) (Address)
oath and say:

(1) That the allegations in the above caveat are true in substance and in fact, to the best of my knowledge, information and belief.
(2) That the claim mentioned in the above caveat is not to the best of my knowledge, information and belief founded upon a writing or a written order, contract or agreement for the purpose of delivery of any chattel or chattels within the prohibition contained in Section 151 of the Land Titles Act.

Sworn before me at _____)
in the Province of _____)
this _____ day of _____, 19 ____)
)
)
_____) _____
(A Commissioner for Oaths in and for the) (Signature of Witness)
Province of Saskatchewan. My Commission)
expires _____, 19____.)

Withdrawal and Discharge of Caveat

To the Registrar of the _____ Land Registration District.

I, _____ of _____ do

acknowledge that _____ have no further interest under the Caveat made by
(I or We)

_____ claiming a leasehold interest as tenant in the

following property (land description):

_____

_____

_____

_____

which Caveat bears the date of the _____ day of _____ A.D. 19 _____ and

was registered in the Land Titles Office for the _____ Land Registration

District on the _____ day of _____ A.D. 19 ____ Caveat

Number _____, and that such Caveat is hereby withdrawn and discharged.

In witness whereof I have hereunto set my hand and seal this _____ day of _____ A.D. 19 _____.

Signed by the above named in the presence of)
)
_____) _____
(Witness) (Signature of Tenant)

Note: An "Affidavit of Execution" found on the following page, is also required.

Affidavit of Execution

Province of Saskatchewan

To Wit:

I, _____ of the _____ of _____, in the Province of

Saskatchewan,

Make Oath and Say as Follows:

1. That I was personally present and did see _____ and _____ named in the within instrument who are personally known to me to be the persons named therein, duly sign and execute the same for the purposes named therein.

2. That the same was executed at the _____ of _____, in the Province of Saskatchewan, and I am the subscribing witness thereto.

3. That I know the said landlord and tenant and they are in my belief of the full age of eighteen years.

Sworn before me at _____)
in the Province of _____) _____
this _____ day of _____, 19 _____) (Signature of Witness)
)
)
_____)
(A Commissioner for Oaths in and for the)
Province of Saskatchewan. My Commission)
expires _____, 19 ____.)

Surrender of Lease*

In consideration of _____ dollars paid to me by the landlord I do hereby surrender and yield up from the day of the date hereof unto the lease and the term therein created.

(Description of lease land in full)

_____

_____

_____

_____

_____

Dated this _____ day of _____ A.D., 19_____

Signed by the above named in the presence of)
)
_____) _____
(Witness)) (Signature of Tenant)

*This form is used to remove a lease registration from the Certificate of Title.

Appendix I - Cost approach (for use by a landlord)

1. Example:

Landlord's Cost Per Cultivated Acre

Land

Investment Cost

$ 300 per acre x 5 % — $ 15.00

Property Taxes (per acre) — $ 3.00

Buildings

Investment cost

$ 20 building investment per acre x 10 % — $ 2.00

Depreciation

original cost - salvage value / years of use = $ 20 - $ 2 / 18 years — $ 1.00

Repairs — $ 1.00

Other costs — $ 0.00

Landlord's Total Costs Per Cultivated Acre (A) — **$ 22.00**

Average Price for the agreed on grain type and grade* (B) — $ 3.00

Number of bushels required per acre (A) ÷ (B) — 7.3 bushels/acre

* **Note: Clause three of the lease agreement sets out the method for establishing the value for the specified grain. In this example, it is assumed that the value of the grain will be based on the net elevator price (after freight and handling charges are deducted). This point should be clearly understood by both parties.**

2. Worksheet:

Landlord's Cost Per Cultivated Acre

Land

Investment Cost

_____ per acre x ___ % $_____

Property Taxes (per acre) $_____

Buildings

Investment cost

$____ building investment per acre x ____% $_____

Depreciation

original cost - salvage value = $ - $ $_____
years of use years

Repairs $_____

Other costs $_____

Landlord's Total Costs Per Cultivated Acre (A) $_____

Average Price for the agreed on grain type and grade* (B) $_____

Number of bushels required per acre (A) ÷ (B) _____ bushels/acre

* **Note: Clause three of the lease agreement sets out the method for establishing the value for the specified grain. The value of the grain used in these calculations must be based on the terms set out in clause three of the lease agreement. This point should be clearly understood by both parties.**

Appendix II - Crop share equivalent approach

1. Example:

Expected income

Crop	Acres	x Yield	x Price	= Total Income
wheat	100	x 30	x $3.00	= $9,000
fallow	60	x	x	=
		x	x	=
		x	x	=
		x	x	=
		x	x	=

Other Income = _____

= _____

Total Expected Income = $9,000

Normal Landlord's Share = 33 % (% share) x $9,000 (Total Income) = $3,000 (A)

Discount Amount = $3,000 (Amount A) x 10% (Discount) = $300 (B)

Net Rent after Discount (A) - (B) = (C) = $2,700

Average Price for the agreed on grain type and grade* (D) $ 3.00/bushel

Number of bushels required per acre (C) ÷ (D) 9 bushel/acre

* **Note: Clause three of the lease agreement sets out the method for establishing the value for the specified grain. In this example, it is assumed that the value of the grain will be based on the net elevator price (after freight and handling charges are deducted). This point should be clearly understood by both parties.**

2. Worksheet:

Expected income

Crop	Acres	x Yield	x Price	= Total Income
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____

Other Income = _____

= _____

Total Expected Income = _____

Normal Landlord's Share = _____ (% share) x _____ (Total Income) = _____(A)

Discount Amount = _____ (Amount A) x _____ (Discount) = _____(B)

Net Rent after Discount (A) - (B) = _____

Average Price for the agreed on grain type and grade* (D) = $_____

Number of bushels required per acre (C) ÷ (D) _____ bushel/acre

* **Note: Clause three of the lease agreement sets out the method for establishing the value for the specified grain. The value of the grain used in these calculations must be based on the terms set out in clause three of the lease agreement. This point should be clearly understood by both parties.**

Appendix III - Income approach worksheet (for use by a tenant)

1. Example

Estimated Income

Crop	Acres	x Yield	x Price*	= Total Income
wheat	100	x 30	x $4.00 *	= $12,000
fallow	60	x	x	=
		x	x	=
		x	x	=
		x	x	=

Other Income = _____

= _____

Total Expected Income (A) = $12,000

Estimated extra costs

Cost:	Total	My Share
Seed	$600	$600
_____	_____	_____
_____	_____	_____
Fertilizer	$800	$800
_____	_____	_____
_____	_____	_____
Chemicals		
_____	$400	$400
_____	_____	_____
_____	_____	_____
_____	_____	_____
Building Repairs	$160	$160

Machinery		
fuel, lube	$960	$960
repairs and maintenance	$800	$800
Crop and Hail Insurance	$400	$400
Freight and Elevator Costs*	$3,000	$3,000
Property Taxes	$480	$480
Custom Work Hired		
Hired Labour		
Interest on Operating Capital	$400	$400
Extra Machinery Depreciation		
= original cost - salvage value = _____ - _____ =		
years of use years of use		
Extra Machinery Investment Cost		
= (original cost + salvage value) ÷ 2 x interest rate		
= (_____ + _____) ÷ 2 x ____% =		
Extra Machinery Insurance		
Other Costs:		
_____		
_____		
Total Extra Costs (B)	$8,000	$8,000
Return Above Extra Costs (A) - (B) = (C)	$4,000	$4,000
Return Per Acre Above Extra Costs (C) ÷ 160 acres = (D)	$25.00	$25.00
Average Price for the agreed on grain type and grade* (E)		$4.00
Number of bushels required per acre (D) ÷ (E)	= 6 bushel/acre	

* **In this example, an amount for freight and elevator charges has been included as a cash expense. Therefore the value for the grain is based on ThunderBay prices. Clause three of the lease agreement would need to be changed, if the rental rate is based on these calculations.**

2. Worksheet

Estimated Income

Crop	Acres	x Yield	x Price*	= Total Income
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____
_____	_____	x _____	x _____	= _____

Other Income = _____

= _____

Total Expected Income (A) = _____

Estimated extra costs

Cost:	Total	My Share
Seed	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Fertilizer	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Chemicals		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Building Repairs	_____	_____
Machinery		

fuel, lube	_____	_____
repairs and maintenance	_____	_____
Crop and Hail Insurance	_____	_____
Freight and Elevator Costs*	_____	_____
Property Taxes	_____	_____
Custom Work Hired	_____	_____
Hired Labour	_____	_____
Interest on Operating Capital	_____	_____

Extra Machinery Depreciation

= original cost - salvage value = _____ - _____ = _____ _____

years of use years of use

Extra Machinery Investment Cost

= (original cost + salvage value) ÷ 2 x interest rate

= (_____ + _____) ÷ 2 x ____% = _____ _____

Extra Machinery Insurance	_____	_____
Other Costs:		
_____	_____	_____
_____	_____	_____
Total Extra Costs (B)	_____	_____
Return Above Extra Costs (A) - (B) = (C)	_____	_____
Return Per Acre Above Extra Costs (C) ÷ # of acres = (D)	_____	_____
Average Price for the agreed on grain type and grade* (E)		_____

Number of bushels required per acre (D) ÷ (E) = _____ bushel/acre

* **Note: Clause three of the lease agreement sets out the method for establishing the value for the specified grain. The value of the grain used in these calculations must be based on the terms set out in clause three of the lease agreement. This point should be clearly understood by both parties.**